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Attorneys for the United States

IN THE UNITED STATES DISTRICT COURT
EASTERN DISTRICT OF CALIFORNIA

UNITED STATES OF AMERICA,

Plaintiff,

v.

JEFF CARPOFF,

Defendant

2:20-CR-00017-DAD

STIPULATION AND FINAL ORDER OF
FORFEITURE RE JEFF AND PAULETTE
CARPOFF'S FORFEITED 51%
OWNERSHIP IN WHETSTONE WINE
CELLARS, LLC AND FORFEITED
\$250,000.00 PROMISSORY NOTE AS TO
WHETSTONE WINE CELLARS, LLC

UNITED STATES OF AMERICA,

Plaintiff,

v.

PAULETTE CARPOFF,

Defendant

2:20-CR-00018-DAD

JAMEY AND MICHELLE WHETSTONE,

Interested Parties.

1 This stipulation is entered into between the United States of America and Jamey and Michelle
2 Whetstone as to Jeff and Paulette Carpoﬀ’s debt and equity stakes in Whetstone Wine Cellars, LLC
3 (hereinafter “Whetstone Winery”), which were forfeited from them based on the convictions in this case,
4 according to the following terms:

5 1. This is a criminal action against defendants Jeff Carpoﬀ, Paulette Carpoﬀ and others
6 based on the investment fraud perpetrated through DC Solar. On January 24, 2020, Jeff Carpoﬀ and
7 Paulette Carpoﬀ pleaded guilty to fraud and money laundering crimes. As part of their plea agreement,
8 Jeff Carpoﬀ and Paulette Carpoﬀ agreed to forfeit property derived from their crimes, including their
9 equity and debt interests in an asset known as Whetstone Wine Cellars, LLC.

10 2. On March 16, 2020, the Court entered a Preliminary Order of Forfeiture in each criminal
11 case, forfeiting their debt and equity interests in Whetstone Wine Cellars, LLC to the United States.
12 Specifically, Jeff and Paulette Carpoﬀ’s 51% ownership stake in Whetstone Wine Cellars, LLC; and
13 their Promissory Note of \$250,000, based on a loan to Whetstone Wine Cellars, LLC.

14 3. Beginning on April 15 and April 17, 2020, for at least 30 consecutive days, the United
15 States published notice of the Court’s Order of Forfeiture on the official internet government forfeiture
16 site www.forfeiture.gov. Said published notice advised all third parties of their right to petition the
17 Court within sixty (60) days from the first day of publication of the notice for a hearing to adjudicate the
18 validity of their alleged legal interest in the forfeited property.

19 4. Jeff and Paulette Carpoﬀ were the 51% owners of Whetstone Wine Cellars, LLC and
20 creditors in the sum of \$250,000. That debt is memorialized in a promissory note on the company’s
21 balance sheet. Jamey and Michelle Whetstone currently own 35% of the Whetstone Wine Cellars, LLC.

22 5. Whetstone Wine Cellars, LLC has an estimated liquidation value of \$549,495.00.¹ A
23 51% ownership interest in the winery has an estimated market value of \$234,016.00.

24 6. The United States does not dispute the value of the company as set forth above.

25 7. No other party or entity has filed a petition asserting an interest in Whetstone Wine
26 Cellars, LLC, and the time in which any person or entity may file a petition has expired.

27 ¹ See Market Valuation of Whetstone Wine Cellars, LLC, as of April 30, 2022, by Certified Public Accountant Brian Jacobs,
28 attached as Exhibit B.

8. Counsel for the United States and counsel for Jamey and Michelle Whetstone have engaged in discussions regarding the disposition of the company, to include obtaining an independent audit to establish the market value for the Carpoﬀ's interest in the company. To avoid future uncertainty and litigation risk, the United States seeks to sell Jamey and Michelle Whetstone the 51% ownership forfeited from the Carpoﬀ's on the following terms:

a. The United States, by and through this Stipulation and Final Order of Forfeiture, conveys its clear title in 51% of Whetstone Wine Cellars, LLC, in exchange for sum of \$184,016.00. The \$184,016.00 shall be paid by Jamey and Michelle Whetstone within ten days from entry of the Final Order of Forfeiture.

9. The payment by Jamey and Michelle Whetstone described in Paragraph Eight above shall be in full settlement and satisfaction of any and all claims by the United States to the 51% equity stake in Whetstone Wine Cellars, LLC.

10. Counsel for the United States and counsel for Jamey and Michelle Whetstone have also engaged in discussions concerning the payment and ultimate retirement of the \$250,000 Promissory Note forfeited from Jeff and Paulette Carpoﬀ. To avoid future uncertainty and litigation risk, Jamey and Michelle Whetstone reaffirm the \$250,000 Promissory Note and further agree to repay the loan and retire the Note based on the below payment schedule:

<u>Payment No.</u>	<u>Payment Amount</u>	<u>Payment Date</u>	<u>Total</u>
1	\$12,500	September 1, 2023	\$12,500
2	\$12,500	March 1, 2024	\$25,000
3	\$12,500	September 1, 2024	\$37,500
4	\$12,500	March 1, 2025	\$50,000
5	\$12,500	September 1, 2025	\$62,500
6	\$12,500	March 1, 2026	\$75,000
7	\$12,500	September 1, 2026	\$87,500
8	\$12,500	March 1, 2027	\$100,000

9	\$12,500	September 1, 2027	\$112,500
10	\$12,500	March 1, 2028	\$125,000
11	\$12,500	September 1, 2028	\$137,500
12	\$12,500	March 1, 2029	\$150,000
13	\$12,500	September 1, 2029	\$162,500
14	\$12,500	March 1, 2026	\$175,000
15	\$12,500	September 1, 2026	\$187,500
16	\$12,500	March 1, 2027	\$200,000
17	\$12,500	September 1, 2027	\$212,500
18	\$12,500	March 1, 2028	\$225,000
19	\$12,500	September 1, 2028	\$237,500
20	\$12,500	March 1, 2029	\$250,000

11. The payments by Jamey and Michelle Whetstone described in Paragraph Ten above shall be in full settlement and satisfaction of any and all claims by the United States to the \$250,000 Promissory Note in Whetstone Wine Cellars, LLC.

12. All payments to the United States, as described in Paragraphs Eight and Ten, should be made in the form of a cashier's check made payable to the U.S. Marshals Service and mailed to the U.S. Attorney's Office, Attn: Asset Forfeiture Unit, 501 I Street, Suite 10-100, Sacramento, CA 95814.

13. The parties agree to execute further documents, to the extent necessary, to further implement the terms of this settlement.

14. All parties to this stipulation hereby release the United States of America and its servants, agents, and employees and all other public entities, their servants, agents, and employees, from any and all liability arising out of or in any way connected with the forfeiture of Whetstone Wine Cellars, LLC, as described herein. This is a full and final release applying to all unknown and unanticipated injuries, and/or damages arising out of said forfeiture or sale, as well as to those now known or disclosed. The parties to this agreement agree to waive the provisions of California Civil Code § 1542, which provides:

1 A general release does not extend to claims which the creditor or releasing party does
2 not know or suspect to exist in his or her favor at the time of executing the release and
3 that, if known by him or her, would have materially affected his or her settlement with
4 the debtor or released party.

5 15. All parties are to bear their own costs and attorneys' fees, if any.

6 Dated: 4/7/2023

PHILLIP A. TALBERT
United States Attorney

8 /s/ Kevin C. Khasigian
9 CHRISTOPHER HALES
10 KEVIN C. KHASIGIAN
Assistant U.S. Attorneys

11
12 Dated: March 31, 2023

/s/ Bahaneh Hobel
13 BAHANEH HOBEL
14 Attorney for Jamey and Michelle Whetstone
(Signature retained by attorney)

1 It is hereby ORDERED and ADJUDGED:

2 1. A Final Order of Forfeiture shall be entered forfeiting to the United States all right, title,
3 and interest in the below-listed property pursuant to 18 U.S.C. §§ 981(a)(1)(C) and 982(a)(1), and 28
4 U.S.C. § 2461(c), including all right, title, and interest of Jeff Carpoff and Paulette Carpoff:

5 a. Approximately \$184,016.00 in lieu of the 51% interest held by Jeffrey Carpoff and/or
6 Paulette Carpoff in Whetstone Wine Cellars, LLC;

7 b. Approximately \$250,000.00 in payments pursuant to the schedule set forth in Exhibit
8 A, to retire the Promissory Note held by Jeffrey Carpoff and/or Paulette Carpoff as to
9 Whetstone Wine Cellars, LLC.

10 2. All right, title, and interest in the above-listed property shall vest solely in the name of the
11 United States of America.

12 3. The U.S. Marshals Service shall maintain custody of and control over the subject
13 property until it is disposed of according to law.

14 SO ORDERED this _____ day of _____, 2023

15
16 DALE A. DROZD
17 United States District Judge
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Exhibit A
Payment Schedule for \$250,000 Promissory Note


<u>Payment No.</u>	<u>Payment Amount</u>	<u>Payment Date</u>	<u>Total</u>
1	\$12,500	September 1, 2023	\$12,500
2	\$12,500	March 1, 2024	\$25,000
3	\$12,500	September 1, 2024	\$37,500
4	\$12,500	March 1, 2025	\$50,000
5	\$12,500	September 1, 2025	\$62,500
6	\$12,500	March 1, 2026	\$75,000
7	\$12,500	September 1, 2026	\$87,500
8	\$12,500	March 1, 2027	\$100,000
9	\$12,500	September 1, 2027	\$112,500
10	\$12,500	March 1, 2028	\$125,000
11	\$12,500	September 1, 2028	\$137,500
12	\$12,500	March 1, 2029	\$150,000
13	\$12,500	September 1, 2029	\$162,500
14	\$12,500	March 1, 2026	\$175,000
15	\$12,500	September 1, 2026	\$187,500
16	\$12,500	March 1, 2027	\$200,000
17	\$12,500	September 1, 2027	\$212,500
18	\$12,500	March 1, 2028	\$225,000
19	\$12,500	September 1, 2028	\$237,500
20	\$12,500	March 1, 2029	\$250,000

EXHIBIT B

Whetstone Wine Cellars

Liquidation Valuation

As of April 30, 2022

	Per Financials	Liquidation Valuation	
Assets:			
Cash	80,519	80,519	
Accounts Receivable	29,638	29,638	
Bulk Wine	115,315	62,004	Schedule 1
Bottled Wine	415,131	555,804	Schedule 2
Prepays & Deposits	23,750	7,900	Deposits
Fixed Assets			
Leasehold Improvements	643,237	-	
Barrels	94,535	5,000	
Winemaking Equipment	25,941	5,000	
Computer Equipment	16,319	-	
Furniture & Equipment	66,565	5,000	
Vehicles	15,710	-	
Accumulated Depreciation	(581,656)	-	
Total Assets	945,003	750,865	
Liabilities:			
Accounts Payable	81,067	81,067	
Credit Cards	9,970	9,970	
Taxes Payable	10,333	10,333	
Liquidation Expenses		100,000	
Current Liabilities to Settle	101,370	201,370	
Net assets to Distribute		549,495	
Carpoff Note	250,000	250,000	
Balance to Equity:	652,543	299,495	
	1,003,913		
	34.730%		
	4.160%	19,088	
	1.850%	8,489	
	1.240%	5,690	
	1.240%	5,690	
	1.240%	5,690	
	0.730%	3,350	
	3.810%	17,482	
	51.000%	234,016	
		299,495	
Carpoff:			
Note		250,000	
Capital Account		234,016	
		484,016	

Whetstone Winery**Schedule 1****Bulk Wine Inventory - Liquidation Valuation****As of April 30, 2022**

			Gallons	Cost	Liquidation	
			4/30/2022	4/30/2022	Price	Liquidation
					Per Gallon	Value
2021	Pinot Noir	Walala	615	34,389.93	\$ 30.00	18,450
2021	Pinot Noir	Pleasant hill	1,105	62,032.13	\$ 30.00	33,150
2021	Viognier	Catie's Corner	578	18,892.89	\$ 18.00	10,404
				<u>115,314.95</u>		<u>62,004</u>

Whetstone Winery

Schedule 2

Bottled Wine Inventory - Liquidation Value

As of 4/30/22

Product Name	Product SKU	Cases 4/30/2022	Estimated Liquidation Case Value	Estimated Liquidation Value
2002 Pinot Noir, 'Hirsch' Sonoma Coast		0.67	100.00	66.67
2003 Viognier, 'Catie's Corner', Russian River		1.00	50.00	50.00
2003 Pinot Noir, 'Hirsch' Sonoma Coast		1.58	100.00	158.33
2003 Pinot Noir, 'Pleasant Hill', Russian River		0.75	100.00	75.00
2004 Pinot Noir, 'Bella Vigna', Sonoma Coast		0.42	100.00	41.67
2004 Pinot Noir, 'Hirsch' Sonoma Coast	WH04HPN	1.58	100.00	158.33
2004 Pinot Noir, 'Pleasant Hill', Russian River 1.5 UL		1.00	50.00	50.00
2006 Pinot Noir, 'Jon Boat', Sonoma Coast	WH06JPN	4.25	75.00	318.75
2007 Pinot Noir, 'Bella Vigna', Sonoma Coast	WH07BPN	5.08	100.00	508.33
2007 Pinot Noir, 'Pleasant Hill', Russian River		0.75	100.00	75.00
2008 Pinot Noir, 'Bella Vigna', Sonoma Coast	WH08BPN	0.92	100.00	91.67
2008 Pinot Noir, 'Bella Vigna', Sonoma Coast Magnum	WH08BPN1.5	0.83	100.00	83.33
2009 Pinot Noir, 'Bella Vigna', Sonoma Coast	WH09BPN	5.42	100.00	541.66
2011 Pinot Noir, 'Bella Vigna' Sonoma Coast	WH11BPN	6.92	100.00	691.66
2012 Pinot Noir, 'Bella Vigna', Sonoma Coast	WH12BPN	8.83	125.00	1,104.17
2012 Pinot Noir, 'Bella Vigna', Sonoma Coast Magnum	WH12BPN1.5	6.33	125.00	791.67
2012 Pinot Noir, 'Pleasant Hill', Russian River	WH12PPN	6.58	125.00	822.91
2012 Pinot Noir, 'Pleasant Hill', Russian River 1.5		3.17	125.00	395.79
2012 Syrah, 'Phoenix Ranch', Napa Valley	WH12PSY	2.00	150.00	300.00
2012 Viognier, 'Catie's Corner', Russian River	WH12CVI	1.00	50.00	50.00
2013 Chardonnay, 'Jon Boat', Carneros Magnum	WH13JCH1.5	1.00	50.00	50.00
2013 Pinot Noir, 'Jon Boat', Sonoma Coast	WH13JPN	1.58	50.00	79.17
2013 Pinot Noir, 'Pleasant Hill', Russian River	WH13PPN	3.17	125.00	395.83
2013 Syrah, 'Phoenix Ranch', Napa Valley	WH13PSY	4.33	150.00	650.00
2013 Syrah, 'Phoenix Ranch', Napa Valley Magnum	WH13PSY1.5	1.50	150.00	225.00
2014 Chardonnay, 'Jon Boat', Carneros		1.00	50.00	50.00
2014 Pinot Noir, 'Jon Boat', Sonoma Coast	WH14JPN	0.17	100.00	16.67
2014 Pinot Noir, 'Pleasant Hill', Russian River	WH14PPN	4.00	150.00	600.00
2014 Pinot Noir, 'Pleasant Hill', Russian River Magnum	WH14PPN1.5	0.17	150.00	25.00
2014 Pinot Noir, 'Taylor's Folly', Magnum	WH14TFP1.5	9.50	150.00	1,425.00
2014 Pinot Noir, 'Taylor's Folly', Sonoma Coast	WH14TFP	30.66	150.00	4,599.50
2014 Pinot Noir, 'Terra de Promissio', Sonoma Coast	WH14TDP	3.83	150.00	575.00
2014 Pinot Noir, 'Terra de Promissio', Sonoma Coast Magnum	WH14TDP1.5	1.83	150.00	275.00
2014 Pinot Noir, 'Walala', Sonoma Coast	WH14WPN	7.58	150.00	1,137.50
2014 Pinot Noir, 'Walala', Sonoma Coast Magnum	WH14WPN1.5	0.17	150.00	25.00
2014 Syrah, 'Phoenix Ranch', Magnum	WH14PSY1.5	2.67	200.00	533.34
2014 Syrah, 'Phoenix Ranch', Napa Valley	WH14PSY	0.58	200.00	116.67
2014 Viognier, 'Catie's Corner', Russian River Magnum	WH14CVI1.5	0.17	75.00	12.50
2015 Pinot Noir, 'Jon Boat', Sonoma Coast	WH15JPN	0.08	100.00	8.33
2015 Pinot Noir, 'Pleasant Hill', Magnum	WH15PPN1.5	1.67	175.00	291.67
2015 Pinot Noir, 'Terra De Promissio', Magnum	WH15TDP1.5	7.33	175.00	1,283.34
2015 Pinot Noir, 'Terra De Promissio', Sonoma Coast	WH15TDP	10.58	175.00	1,852.08
2015 Pinot Noir, 'Walala', Magnum	WH15WPN1.5	3.67	175.00	641.67
2015 Pinot Noir, 'Walala', Sonoma Coast	WH15WPN	4.25	175.00	743.75
2015 Syrah, 'Phoenix Ranch', Napa Valley, Magnum	WH15PSY1.5	1.67	175.00	291.67

Whetstone Winery

Schedule 2

Bottled Wine Inventory - Liquidation Value

As of 4/30/22

Product Name	Product SKU	Cases 4/30/2022	Estimated Liquidation Case Value	Estimated Liquidation Value
2015 Syrah, 'Phoenix Ranch', Napa Valley	WH15PSY	1.33	75.00	100.00
2016 Pinot Noir, 'Jon Boat', Sonoma Coast	WH16JPN	0.50	175.00	87.50
2016 Pinot Noir, 'Jon Boat', Sonoma Coast, Magnum	WH16JPN1.5	0.33	175.00	58.33
2016 Pinot Noir, 'Pleasant Hill', Russian River	WH16PPN	1.58	225.00	356.25
2016 Pinot Noir, 'Pleasant Hill', Russian River Magnum	WH16PPN1.5	2.00	225.00	450.01
2016 Pinot Noir, 'Terra De Promissio', Sonoma Coast	WH16TDP	2.33	225.00	525.00
2016 Pinot Noir, 'Terra De Promissio', Magnum	WH16TDP1.5	0.50	225.00	112.50
2016 Pinot Noir, 'Walala', Sonoma Coast, Magnum	WH16WPN1.5	2.67	225.00	600.08
2016 Viognier, 'Caties Corner', Russian River, Magnum	WH16CVI1.5	0.33	100.00	33.33
2016 Syrah, 'Phoenix Ranch', Napa Valley	WH16PSY	81.58	300.00	24,475.00
2017 Pinot Noir, 'Jon Boat', Sonoma Coast	WH17JPN	2.08	200.00	416.66
2017 Pinot Noir, 'Pleasant Hill', Russian River	WH17PPN	2.17	300.00	650.01
2017 Pinot Noir, 'Walala', Sonoma Coast	WH17WPN	12.00	300.00	3,600.00
2017 Viognier, 'Caties Corner', Russian River	WH17CVI	3.17	300.00	950.01
2017 Syrah, 'Phoenix Ranch', Napa Valley, Magnum	WH17PSY1.5	1.50	150.00	225.00
2017 Syrah, 'Phoenix Ranch', Napa Valley	WH17PSY	155.08	400.00	62,033.33
2018 Pinot Noir, 'Pleasant Hill', Russian River	WH18PPN	2.08	400.00	833.33
2018 Pinot Noir, 'Pleasant Hill', Magnum	WH18PPN1.5	0.33	420.00	140.00
2018 Pinot Noir, 'Walala', Sonoma Coast, Magnum	WH18WPN1.5	1.83	420.00	770.00
2018 Pinot Noir, 'Walala', Sonoma Coast	WH18WPN	161.75	420.00	67,935.01
2018 Viognier, 'Caties Corner', Russian River, Magnum	WH18CVI1.5	0.67	420.00	280.00
2018 Viognier, 'Caties Corner', Russian River		182.92	200.00	36,583.33
2019 Cabernet Sauvignon, Napa Valley	WH19NCS	35.42	450.00	15,937.50
2019 Cabernet Sauvignon, Napa Valley, Magnum	WH19NCS1.5	19.33	450.00	8,699.98
2019 Pinot Noir, 'Pleasant Hill', Russian River	WH19PPN	87.25	420.00	36,644.99
2019 Pinot Noir, 'Pleasant Hill', Russian River, Magnum	WH19PPN1.5	2.50	420.00	1,050.00
2019 Pinot Noir, 'Walala' Sonoma Coast	WH19WPN	191.33	420.00	80,359.99
2019 Pinot Noir, 'Walala', Sonoma Coast, Magnum	WH19WPN1.5	3.17	420.00	1,329.99
2019 Viognier, 'Catie's Corner', Russian River	WH19CVI	84.00	200.00	16,800.00
2019 Viognier, 'Catie's Corner', Russian River, Magnum	WH19CVI1.5	1.17	200.00	233.33
2020 Pinot Noir, 'Pleasant Hill', Russian River	WH20PPN	22.67	420.00	9,520.00
2020 Pinot Noir, 'Pleasant Hill', Russian River Magnum	WH20PPN1.5	220.17	420.00	92,469.99
2020 Pinot Noir, 'Walala', Russian River Magnum	WH20WPN1.5	4.00	420.00	1,680.00
2020 Pinot Noir, 'Walala', Sonoma Coast	WH20WPN	150.08	420.00	63,035.00
2021 Grenache Rose, 'Terra Alta Vineyard', Lodi	WH21ROS	22.75	200.00	4,550.00
		<u>1,624.83</u>		<u>555,804.09</u>